

to between the two governments."\* This proposition was accepted by the Chinese Government, the weight of the tael was fixed at 575.82 grains of pure silver, and exchange was computed upon the basis of quotations in the London market for June, July, and August, 1895. The result was an average price per ounce of 30.4429 pence, London standard (0.925 fine), and the indemnity worked out at ^32,900,980.

" Since now [it is naively declared by the official report on the subject] the way was opened for the creation of a gold reserve, the finance minister, Count Matsukata, seeing that the time was fully ripe for putting into effect the plan of coinage reform, on the 25th February, 1897, submitted the drafts of the coinage law, with its subsidiary laws, to the Cabinet Council/" \* Before this time (in July, 1895) the majority of the monetary commission had reported in favor of the gold standard and the accumulation of a gold reserve. Count Matsukata had anticipated also the favorable action of the cabinet by beginning to bring gold bullion and British gold coin into Japan. These operations, involving some risk of disturbance to the exchange market, extended from January n, 1896, to March 31, 1899, and were aided by the Bank of Japan and the Yokohama Specie Bank.<sup>a</sup> In the meantime, so complete was the mastery of the ministry over the Diet that the project of law introduced on February 25th was favorably reported on March loth to the lower chamber,

<sup>1</sup> This contract, amazingly advantageous to Japan, is attributed to a suggestion in May, 1895, by Count Matsukata, then finance minister, to Count Ito. A memorandum was subsequently drawn up, seeking to show the losses to China through the rise in the price of silver if she sought to deliver the metal to Japan. A slight concession was made from the weight of the tael as originally proposed by Japan.—See *The Adoption of the Gold Standard in Japan*, 168-72.

\*/#£, 174-

<sup>3</sup> Of a total sum of £30,476,642 in English currency which was transferred, £15,811,261 was remitted by drafts, £3,090,504 was sent in silver, and £11,574,876 was sent in gold bullion, of which £7,733,517 was received before September 30, 1897, and promptly converted into Japanese gold coins.—*The Adoption of the Gold Standard in Japan*, 225. 30